

1 Tank. Mr. Stapley stated that he has to stay as a third party and look at the City as a whole. He wants to check with
2 the State to see if this concept will even work.

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4 Mr. Stapley mentioned that the new tank that will replace Bartholomew Tank will be smaller than the current one. It
5 was designed to bring water quickly down the canyon. It is oversized for the number of users on it. Instead of 1.4
6 million gallons, the new tank would only hold 500,000 gallons.

7
8 Mr. Stapley displayed the 5-year Capital Improvement Plan on the screen, showing the different categories such as
9 spring collection fences, Bartholomew Tank replacement, 400 South Well, Lower Spring Creek Tank coating, Center
10 Street service replacements, Flowserve pipe replacement, Bartholomew Pond aeration, Smith's 1200 West, etc. The
11 bottom line is about \$1.8 million each year. Bruce Riddle, Finance Director gave us a target of \$1.5 million a year.
12 We're at about a \$300,000 deficit per year, which is about a \$2.78 per month raise per customer. Mr. Stapley
13 explained that we have pretty good numbers now to defend a rate increase. The penstocks are not in the formula -
14 they're about 25-34 years out. We keep kicking that can down the road. Another issue with the penstock is if we
15 can't move water up the canyon to Bartholomew at 600 gpm, is it worth \$15 million dollars? Mr. Stapley stated that
16 he plans to go to the Power Department to ask them to help pay for it, since they use it. Mr. Beck mentioned that the
17 average citizen has no idea how much it takes to supply them water. We need to educate them somehow. Mr.
18 Stapley stated that our base rate now is \$11/month, which is about 50% lower than most surrounding cities. Adding a
19 \$3.00 increase will be about 30%. Another big issue is source capacity. And we may be losing a water source in
20 Burt Springs, depending on the State's test results. We will still need another well.

21
22 According to what Mr. Barker is showing in his future projects, we need an increase of about \$3.00 a month to stay
23 consistent. Cl. Child agreed.

24
25 Mr. Stapley mentioned that we can only have so many wells, based on a ground water study that has been done. We
26 have a cap on how many acre feet we can pull from the wells. It is stated in the Master Plan.

27
28 Mr. Stapley reviewed the aging water pipelines. Our biggest problem is the \$12 million to replace pipes that are 50+
29 years old. Mr. Stapley reviewed Mr. Barker's spreadsheet that shows pipelines by decade. Some pipes are
30 approaching 100 years old. There weren't many pipes built during the Depression. There was brief discussion on
31 types of pipe and how long they last.

32
33 Mr. Hotchkiss asked about the removal of dams along Hobble Creek, beginning down low and moving up to the
34 Swenson Dam. Mr. Stapley stated that there is currently a design going on at Swenson Dam from CUP that will be
35 constructed this summer. Mr. Hotchkiss asked about having a booth at Art City Days to educate the residents and
36 possibly offer tours up to Bartholomew Tank and other water facilities. Mr. Stapley said that would be possible. Mr.
37 Beck stated that education will help residents understand why we need to raise the base rate. Mr. Stapley stated he is
38 always informing City Council about possible water projects. Mr. Hotchkiss expressed concern that Mr. Stapley isn't
39 using discount rates as he projects in the future. Mr. Stapley explained that any money the Water Department doesn't
40 spend goes back into his fund.

41
42 Mr. Andrew expressed concern about the pipelines around Nestle, which are in hot soils and the life span is only 30
43 years. Mr. Barker said he is aware of that. His crews are still looking at the Industrial Park pipes.

44
45 Mr. Andrew moved to adjourn. Mr. Beck seconded. All were in favor.

46
47 **Adjourn** – This meeting adjourned at 7:33 a.m.

48
49 Next month we can talk about Plat A Irrigation; the Strawberry Water fee dropped off the fee schedule and the City is
50 subsidizing them even more.